



Senate

General Assembly

File No. 305

January Session, 2005

Substitute Senate Bill No. 887

Senate, April 13, 2005

The Committee on Planning and Development reported through SEN. COLEMAN of the 2nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE DISPOSAL OF HOUSING PROJECTS BY HOUSING AUTHORITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Commissioner" means the Commissioner of Economic and
- 3 Community Development.
- 4 (2) "Housing revitalization plan" means a plan prepared by a
- 5 municipality to address the reconstruction or reconfiguration of a
- 6 state-assisted moderate rental housing development, or portion of such
- 7 a development, constructed pursuant to part II of chapter 128 of the
- 8 general statutes. The housing authority shall consult with the residents
- 9 of the housing development in preparing said plan, in accordance with
- 10 the provisions of this section.
- 11 (3) "Local planning committee" means a committee established by

12 the executive director of the housing authority of a municipality for the
13 purpose of developing a housing revitalization plan.

14 (4) "Housing authority" means the housing authority of a
15 municipality, created pursuant to section 8-40 of the general statutes.

16 (b) Any housing authority that wishes to reconstruct or revitalize a
17 state-assisted moderate rental housing development constructed
18 pursuant to part II of chapter 128 of the general statutes shall comply
19 with the provisions of this section.

20 (c) The executive director of the housing authority shall establish a
21 local planning committee, which shall consist of representatives of (1)
22 the housing authority; (2) each resident association that represents
23 residents of the housing development; (3) the municipality in which
24 the housing development is located; (4) the Department of Economic
25 and Community Development; (5) the Connecticut Housing Finance
26 Authority; (6) the employees of the housing authority; (7) community
27 groups involved in the provision or maintenance of housing for very
28 low income households, including, but not limited to, emergency
29 shelters, legal services programs and social services agencies that deal
30 with housing problems; (8) such other persons or community
31 organizations, including local community leaders and representatives
32 of business, labor, education and other social services agencies, as the
33 executive director of the housing authority deems desirable; and (9)
34 the chairpersons and ranking members of the select committee of the
35 General Assembly having cognizance of matters relating to housing, or
36 their designees. Each entity under subdivisions (1) to (8), inclusive, of
37 this subsection shall appoint its representative to the local planning
38 committee. The executive director of the housing authority shall
39 designate the chairperson of the local planning committee.

40 (d) The board of the housing authority shall assure that the tenants
41 of the housing development are able to fully participate in the process
42 for planning, review and implementation of reconstruction or
43 reconfiguration of the housing development. The authority shall
44 provide reasonable funding with which the tenants can obtain the

45 services of professionals with expertise in tenant outreach, training,
46 organizing, housing policy and law so as to promote the achievement
47 of genuine tenant participation and to protect the interests of the
48 tenants during the planning and implementation process. The
49 residents of the development shall create a committee to participate in
50 the process. Said committee shall select the professionals described in
51 this subsection, have access to all information concerning the process,
52 and be permitted to participate in all meetings concerning such
53 process, including meetings of the local planning committee and the
54 housing authority.

55 (e) The local planning committee shall prepare a housing
56 revitalization plan for the housing development for which
57 revitalization is sought. The committee shall hold at least one public
58 hearing early in the planning process, at least one public hearing after
59 a preliminary housing revitalization plan has been drafted and at least
60 one public hearing on the final housing revitalization plan. Notice of
61 each such public hearing shall be mailed or delivered to each tenant
62 association representing tenants in the development and to each tenant
63 household in the development. In addition to any formal notice, each
64 such public hearing shall be publicized generally in the municipality
65 through posted notices at the development and through publicity both
66 through newspapers of general circulation in the municipality and to
67 weekly community newspapers. A record shall be kept of all
68 comments received at such hearings.

69 (f) A housing revitalization plan shall provide for the reconstruction
70 or reconfiguration of the housing development. The plan shall include
71 an estimate of the cost of implementation and the projected funding
72 sources by which such cost shall be met. The plan shall state whether
73 its implementation requires the waiver of any existing general statutes
74 or regulations and, if so, shall identify with specificity the general
75 statutes or regulations of Connecticut state agencies sought to be
76 waived, the extent to which waiver is necessary and the justification
77 for such waiver. A housing revitalization plan may include the
78 demolition of some or all of the existing buildings in the development

79 and may propose their replacement with fewer units of on-site and off-
 80 site low and moderate income housing than were part of the original
 81 moderate rental housing development. If said plan proposes such
 82 reduced number of replacement units of low and moderate income
 83 housing, the plan shall state explicitly why such a reduction in low and
 84 moderate income housing units is necessary. The plan shall also
 85 describe the alternatives considered by the housing authority in
 86 planning for the future of the housing development. Upon completion
 87 of the housing revitalization plan, the local planning committee shall
 88 submit the plan to the housing authority for its approval.

89 (g) Upon approval of the housing revitalization plan by the housing
 90 authority, the housing authority shall submit the plan to the
 91 Department of Economic and Community Development, the
 92 Connecticut Housing Finance Authority and the select committee of
 93 the General Assembly having cognizance of matters relating to
 94 housing. The plan shall be accompanied by a copy or a summary of all
 95 comments received at public hearings and an explanation of how the
 96 plan was modified, or why it was not modified, in response to the
 97 comments.

98 (h) A housing revitalization plan may be amended, provided any
 99 such amendment is prepared and approved in accordance with the
 100 same procedure under this section for the preparation and approval of
 101 the plan.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

HSG*Joint Favorable C/R*

PD

PD*Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Department of Economic & Community Development	GF - Cost	Minimal	Minimal

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 06 \$	FY 07 \$
Various Municipalities	Cost	Minimal	Minimal

Explanation

It is estimated that the Department of Economic and Community Development (DECD) would need to divert one-half an Economic and Community Development Agent away from current duties or incur additional costs of approximately \$25,000 due to attendance at meetings and involvement in the process for each housing redevelopment plan undertaken by a housing authority. It is estimated that there will be four requests to implement housing revitalization plans each year by local housing authorities over the next five years.

Impacted municipalities could also incur a minimal fiscal impact for attendance at meetings.

There is a potential indeterminate cost to housing authorities, which undertake these redevelopment plans.

OLR Bill Analysis

sSB 887

***AN ACT CONCERNING THE DISPOSAL OF HOUSING PROJECTS
BY HOUSING AUTHORITIES*****SUMMARY:**

This bill allows the housing authorities (HA) in towns with state-assisted moderate-income rental housing to redevelop that housing, subject to certain conditions, and to seek a waiver from state laws, including the law requiring one-for-one replacement of units, when doing so. The bill requires that an HA have a housing redevelopment plan that it creates with a planning committee. It specifies the membership of the planning committee, which must include the development's tenant associations among others, and requires the plan to identify funding sources.

The bill also requires the HA board to assure that tenants are able to fully participate in the planning process, including providing reasonable funding for the tenants to hire professionals with expertise in, among other things, housing policy and law. The tenants must form a committee to participate in the planning and implementation process.

Under the bill, the HA approves the plan and must submit it to the Department of Economic and Community Development (DECD), the Connecticut Housing Finance Authority (CHFA), and the Select Committee on Housing. The bill does not specify what action DECD, CHFA, or the Housing Committee must take on the plan. Additionally, the bill does not indicate what agency or official will have the authority to grant waivers from state law, nor does it create a procedure for the waiver.

EFFECTIVE DATE: Upon passage

HOUSING REDEVELOPMENT PLANS***Redevelopment Plan***

Under the bill, an HA must have a housing redevelopment plan if it chooses to redevelop its state-financed moderate-income rental housing. The plan must provide for the reconstruction or reconfiguration of the housing development. It must be created by the local planning committee (see below) in the towns with state moderate-income rental housing.

State law typically requires one-for-one replacement of existing units when redeveloping such housing projects. Under the bill, a redevelopment plan may include the demolition of some or all of the existing buildings in a development and propose their replacement with fewer units than were part of the original development. But the plan must (1) state explicitly why such a reduction in low-and moderate-income housing units is necessary, (2) state whether its implementation requires the waiver of any other existing general statutes or regulations, and (3) describe the alternatives considered by the HA in planning for the housing development's future.

If the plan requires a waiver of state law, it must:

1. identify the specific statutes or Connecticut state agency regulations it seeks to waive,
2. identify how the waiver is necessary for the plan, and
3. provide justification for the waiver.

The plan must also include an estimate of the implementation cost and the projected funding sources for meeting the cost.

Planning Committee Membership

The bill establishes a local planning committee to create the plan, specifies its membership, and authorizes the HA executive director to choose the committee's chair.

The planning committee must include a representative of:

1. the HA;
2. each resident association that represents residents of the housing development;

3. the municipality in which the housing development is located;
4. DECD;
5. CHFA;
6. HA employees;
7. community groups involved in housing for very low-income households, including emergency shelters, legal services programs, and social services agencies that deal with housing problems;
8. other people or community organizations, including local community leaders and representatives of business, labor, education, and other social services agencies, as the HA executive director sees fit; and
9. the chairpersons and ranking members of the Select Committee on Housing or their designees.

The bill specifies that all these groups or organizations must appoint a representative to the committee, except for the legislators. But the bill allows the HA executive director to choose non-housing community leaders as he deems desirable and to designate the committee's chairperson.

Planning Committee Responsibilities

The committee must (1) prepare a housing redevelopment plan for the housing development and (2) hold at least one public hearing (a) early in the planning process, (b) after it has drafted a preliminary housing revitalization, and (c) on the final housing redevelopment plan. Public hearing notices must be mailed or delivered to each tenant association representing tenants in the development and to each tenant household in the development. In addition to any formal notice, each public hearing must be publicized in the municipality where the development is located through posted notices at the development and in both general circulation newspapers in the municipality and weekly community newspapers.

A record must be kept of all comments received at the hearings. The final plan must include responses to comments received at hearings.

Tenant Participation and Tenant Committee

Each HA board must assure that tenants in the affected developments can fully participate in the planning, review, and implementation process. The authority must provide reasonable funding for tenants to hire professionals with expertise in tenant outreach, training, organizing, housing policy, and law to (1) promote genuine tenant participation and (2) protect the tenants' interests during the planning and implementation process.

Tenants must create a committee to participate in the revitalization process. The committee must select the professionals mentioned above. The tenants' committee must also (1) have access to all information concerning the redevelopment process and (2) be permitted to participate in all meetings concerning redevelopment, including meetings of the local planning committee and the housing authority.

PLAN APPROVAL AND AMENDMENT

Upon its completion, the local planning committee must submit the plan to the HA for approval. The HA may approve the redevelopment plan.

After the HA approves the plan, it must submit it to DECD, CHFA, and the Select Committee on Housing. The bill does not specify what action DECD, CHFA, or the Housing Committee must take on the plan. A copy or a summary of all comments received at public hearings and an explanation of how the planning committee modified the plan, or why it did not, in response to the comments, must be submitted with the plan.

A housing redevelopment plan may be amended, but the amendment must go through the same approval process as the original plan.

BACKGROUND

State Moderate-Income Rental Housing

To be eligible, tenants must have incomes that are 80% of the AMI (area median income) or less, adjusted for family size (CGS § 8-72a).

Once they occupy an apartment, tenants qualify to remain in moderate-income housing as long as their incomes do not exceed 125% of the maximum income.

Ideally, the rent collected at moderate-income rental properties should be enough to maintain and improve existing properties (the state has not provided funding since financing the properties' construction). But the rents have not increased enough to meet the costs of maintenance and repair, causing many units to fall into disrepair.

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Substitute Change of Reference

Yea 11 Nay 0

Planning and Development Committee

Joint Favorable Substitute

Yea 18 Nay 0